

Translation Purposes Only

December 9, 2013

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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Masaaki Higashihara, Executive Director

(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

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Notice Concerning Determination of Pricing for Issuance of New Investment Units and Secondary Offering, etc.

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced the issue price and the selling price for the issuance of new investment units and secondary offering resolved at the Board of Directors meeting held on November 28, 2013 has been settled at the Board of Directors meeting held today, as described below.

Details

1. Issuance of new investment units through public offering (primary offering)

|  |  |
|--|--|
| (1) Issue price (offer price)          | ¥70,785 per unit   |
| (2) Total issue price (offer price)    | ¥5,797,291,500   |
| (3) Paid-in amount (issue value)       | ¥68,316 per unit   |
| (4) Total paid-in amount (issue value) | ¥5,595,080,400   |
| (5) Subscription period                | December 10, 2013 (Tue) through<br>December 11, 2013 (Wed) |
| (6) Advances on subscription           | ¥70,785 per unit   |
| (7) Payment date                       | December 16, 2013 (Mon)                                    |
| (8) Transfer date                      | December 17, 2013 (Tue)                                    |

(Note) The underwriters will buy and underwrite the units at the paid-in amount (issue value) and offer them at the issue price (offer price).

2. Secondary offering (secondary offering through over-allotment)

|   |  |
|---|--|
| (1) Number of investment units to be sold | 4,100 units  |
| (2) Selling price                         | ¥70,785 per unit   |
| (3) Total selling price                   | ¥290,218,500   |
| (4) Subscription period                   | December 10, 2013 (Tue) through<br>December 11, 2013 (Wed) |

Note: This document is intended to serve as a press release to make available the information on public offering and secondary offering of investment units only. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment unit or other investments of the Investment Corporation. Prospective investors are advised to read the Investment Corporation’s prospectus for new unit issuance and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

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|------------------------------|-------------------------|
| (5) Advances on subscription | ¥70,785 per unit        |
| (6) Transfer date            | December 17, 2013 (Tue) |

### 3. Issuance of new investment units by way of third-party allotment

- |  |                        |
|--|------------------------|
| (1) Paid-in amount (issue value)                 | ¥68,316 per unit       |
| (2) Total paid-in amount (issue value) (maximum) | ¥280,095,600           |
| (3) Subscription period (subscription date)      | January 14, 2014 (Tue) |
| (4) Payment date                                 | January 15, 2014 (Wed) |

(Note) If some or all of the investment units are not applied for by the end of the subscription period (subscription date) set forth in (3) above, the issuance of those units not applied for shall be cancelled.

#### <Reference>

##### 1. Calculations for the issue price and the selling price

- |   |                        |
|---|------------------------|
| (1) Base date for calculation   | December 9, 2013 (Mon) |
| (2) Investment unit price for base date for calculation (closing price) | ¥72,600                |
| (3) Discount rate   | 2.50%                  |

##### 2. Syndicate cover transaction period

December 12, 2013 (Thu) through January 9, 2014 (Thu)

##### 3. Use of the procured fund

Net proceeds of the public offering of ¥5,595,080,400 will be appropriated to part of the funds to acquire specified assets. Remaining proceeds, if any, will be retained as cash on hand and allocated to part of funds to acquire specified assets in the future.

The maximum net proceeds of the issuance of new investment units through the third-party allotment of ¥280,095,600 resolved on the same day as the public offering (the “Third-Party Allotment”) will be allocated to part of expenses related to the acquisition of specified assets, and to part of expenses related to the issuance of new investment units through primary offering and third-party allotment. Remaining proceeds, if any, will be retained as cash on hand and will be used for part of funds to acquire specified assets in the future.

For details on the specified assets, please refer to “Acquisition of Assets (HF SAKURADORI BUILDING and Two Other Properties)” announced on November 28, 2013.

(Note) The funds to be procured are scheduled to be deposited in financial institutions until their expenditure.

\* Distribution: Kabuto Club, Ministry of Land, Infrastructure, Transport and Tourism Press Club, and

Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications

\* Investment Corporation Website: <http://www.heiwa-re.co.jp/english/>

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